

Gov. Matt Blunt
2008 State of the State Address
January 15, 2008

Lt. Governor Kinder, President Pro Tem Gibbons, Speaker Jetton, distinguished officials, judges of the Supreme Court, members of the General Assembly, reverend clergy, my fellow Missourians:

Just over 200 years ago, Lewis and Clark returned with their band of rugged explorers to tell the nation, and the world, about the treasures west of the Mississippi. Our state was the first of those treasures.

As the world looked to America, America looked to Missouri. Soon, our state was being settled by hard-working, independent, prudent, faithful, optimistic Americans. By 1904, the character of Missourians was widely-known. As the world descended on St. Louis for the Louisiana Purchase Exposition, visitors were treated to *The State of Missouri*, a book that described the spirit of Missouri as “the spirit of progress, tempered by conservatism,” and the “spirit of a community, conscious of its own secure position.....hospitable, generous, brave.”

The spirit of Missouri has held fast. Missourians remain independent, hospitable, generous, and brave. We cherish individualism, tempered by the bonds of community and the Heartland values of faith, family, and freedom. We are practical. We seek solutions. Missourians want and deserve government that reflects Missouri values, government which rewards work and responsibility, encourages creativity, protects law-abiding citizens, spends tax dollars wisely, and helps those who cannot help themselves.

Unfortunately, that is not always what they have received. Only four years ago, bad public policy was causing our state to lose jobs at an alarming and unacceptable rate. Business-as-usual in the state capitol was hurting Missouri families.

Missourians demanded change: to put Missouri families, Missouri values, and Missouri taxpayers first. We embarked on a course to bring jobs back to our state. We have succeeded. Change is working. Since January of 2005, Missourians have created nearly 90,000 jobs.

Change is working. Missourians are prospering.

Tonight, I am pleased to report: our economy is growing, our schools are improving, our health care system has been transformed for the better, and, most importantly, because we have the strength of Missourians as our foundation: The State of our State is strong.

RESPECTING MISSOURIANS HARD-EARNED DOLLARS

The changes we have made are working, but I know that many Missouri families are struggling with mortgages, \$3 a gallon gasoline and a government in Washington that fails to address their day-to-day problems.

Now is not the time to go back to the old ways of bigger government, higher taxes, more lawsuits, and too much regulation. The changes we secured – lawsuit reform, regulatory improvements, and working with rather than against farmers and small business owners – were vital in creating new jobs.

Equally important was responsible stewardship of taxpayers' hard-earned dollars. All too often in the past, state government saw tax collection as a natural right of government rather than as a necessary evil. Spending went up, and, if we had not stepped in, more job-killing tax hikes would have followed.

We inherited a state budget that was broken and ruined by profligate spending. Many claimed it would be impossible to save the wrecked budget without increasing taxes. We proved them wrong. We eliminated tremendous amounts of waste and attacked fraud. We increased funding for education at all levels. And we fixed that inherited budget crisis without raising job-killing taxes. In fact, we cut taxes. We took our state from a budget crisis to three consecutive budget surpluses.

We will not go back to the old-way. We will continue on our changed course. The budget I submit tonight reduces taxes; helps thousands of working Missouri families afford their own health insurance; supports law enforcement; and continues to increase our investment in education. My budget will increase opportunity and reduce taxes.

WORLD CLASS EDUCATION

As long ago as 1786, Thomas Jefferson articulated a principle that became a bedrock Missouri value. Jefferson wrote that "by far the most important bill in our whole code is that for the diffusion of knowledge among the people. No other foundation can be devised for the preservation of freedom and happiness." It was true then and it is true today. Education is the most important investment we can make in our own and in our children's future. It promotes our freedoms. It promotes our happiness, and, by creating opportunity, nurtures a society of rising prosperity.

Unfortunately, under the old way, education funding had become a pawn in budget battles. Students, teachers, and classrooms suffered under the way things were. When education was just an afterthought, it was easily sacrificed to cover out-of-control spending in other areas.

Missourians wanted a state government that would put classrooms, teachers, and, most importantly, students first. And that is what we have provided. Education funding is my highest budget priority.

By passing my budget, you will ensure, once again, that Missouri teachers and students have the resources they need to succeed. And when passed, we will have achieved a remarkable feat. By having the vision to look ahead and the fortitude to keep our commitments to the people of Missouri, we will have increased our total investment in education by \$1.2 billion.

My budget recommendations this year include significant increases in funding at all levels – from pre-school to graduate school. Elementary and secondary schools receive an increase of \$121 million, or more than 4 percent from last year. Missouri colleges and universities receive more than \$54.2 million in direct funding, an increase of more than 6 percent. That includes funding to train more doctors, nurses, dentists, and pharmacists to meet the health care needs of Missourians.

Today's technology-driven economy places high value on skills in math, engineering, technology, and science. To ensure that the next generation enjoys even greater prosperity, we must provide our students with a world-class education in these subjects. We want our students to do more than merely keep up with their peers in other states and other countries. We want them to lead the world.

We have already taken several steps forward. We trained hundreds of Advanced Placement teachers and helped more students take Advanced Placement math and science tests. We built more technologically-advanced classrooms, and we funded after school programs in math and science.

Our changes are working. Academic performance is improving. Missouri fourth and eighth graders posted significant gains in the 2007 school year on national math tests. Missouri was one of only six states with fourth-graders who scored higher on all five sections of the national math exam. Missouri high school students also improved. A record 74 percent of Missouri seniors took the ACT last year, and they beat the national average.

These results are encouraging. But we must do more. I want our students to be better than above-average. I want Missouri students to be at the head of the class. Tonight, I recommend increased investment in math and science education. I recommend three-quarters of a million dollars to train nearly 1,000 new Advanced Placement teachers and to help more than 6,000 Missouri students take Advanced Placement tests. I recommend \$5 million to create 100 technologically-advanced classrooms and to equip 300 classrooms with advanced math and science curriculum. And I recommend \$1.1 million for after-school programs, which help students learn, stay fit, stay safe, and stay out of trouble.

EXPANDING ACCESS TO HIGHER EDUCATION

Missouri colleges and universities were also neglected by the failed priorities of the old budgets. We needed to invest in better classrooms and labs, and we are doing so.

Last year, for the first time ever, in order to protect Missouri families from future unreasonable tuition hikes, we capped tuition increases, and we launched the Lewis & Clark Discovery Initiative. Thus far, we have invested \$289 million for dozens of world-class learning centers to better compete with rival states.

This year, I recommend further investment. I request \$31 million for construction, renovation, and improvement of the Ellis Fischel Cancer Center at the University of Missouri, and another \$15 million for the Pharmacy and Nursing Building at the University of Missouri-Kansas City.

I also recommend continued increases in scholarship funding. My budget includes more than \$25 million for A+ student scholarships, helping more than 20,000 Missourians attend community colleges, nearly double the program's funding since January of 2005. And it includes even more significant increases in needs-based scholarships.

When I took office, Missouri state government spent just \$25 million on needs-based scholarships for Missouri students. We created the Access Missouri Scholarship initiative to simplify the application process for students, and we dramatically increased funding. Before Access Missouri, we issued 16,400 scholarships to Missouri students. So far this year, with Access Missouri, we have helped more than 36,000 students.

One of those students is here tonight. I would like to introduce you to Traci Clark. Traci is a nursing student at the University of Missouri-St. Louis. During a recent visit to UMSL, Traci told me that her daughter Bree inspired her to go back to school, and that Access Missouri was vital to make college affordable, and her dreams come true. Traci is a great example of how the Access Missouri scholarship is allowing Missouri students to reach their full potential and be of service to our fellow Missourians in the years to come. Thank you for being here, Traci and Bree.

Tonight, I recommend \$100 million for Access Missouri scholarships – quadrupling our investment in needs-based scholarships during my administration. This four-fold increase in scholarship funding will expand opportunity for thousands of Missourians studying to make their lives better and Missouri more prosperous.

The funding recommendations in my budget will provide our schools, teachers, and students with significant resources to be successful now and in the future. Unlike in the past, we will not leave our schools, teachers, or students scraping for left-overs. And I will keep my pledge to never withhold funds that you appropriate for our public schools. We had a vision for a better future. We set priorities. We led. We maintained the resolve necessary to implement positive change. We will continue to advance. With this budget, over four years, we will have invested an additional \$1.2 billion in education.

PROTECTING MISSOURI TAXPAYERS

We have also protected Missouri taxpayers. Last spring, we cut taxes for Missouri seniors by passing the Senior Tax Justice Act, which will end state taxation of Social Security benefits.

Over the past three years, we have demonstrated that effective government need NOT be an intrusive, tax-raising Goliath. In fact, the opposite is true. As government wanders where it does not belong, it loses its effectiveness.

I want to ensure that state government serves citizens effectively and is directly accountable to the people who pay the bills. That is why I created the Missouri Accountability Portal, an Internet site enabling Missourians to track the expenditure of all tax dollars in near real-time. To guarantee future transparency, I urge the General Assembly to make the Accountability Portal permanent.

I also want to ensure that Missourians have a government they can trust. In 2006, I banned gifts from lobbyists to any employee of the governor's office. I urge you to apply this ban on lobbyists' gifts to the entire executive branch.

Missourians must have a say over taxes and spending. When courts order higher taxes, it is taxation without representation, and against the first principles of democracy. This is America. People should never be taxed without their consent. Yet, courts elsewhere are beginning to usurp powers they do not have. One such area is the definition of marriage, which Missourians placed off limits to unelected judges in 2004. Courts are also beginning to hijack the powers to tax and spend. In Missouri, a federal judge ordered new taxes. Just next door, a state court in Kansas recently followed that poor example. The time to close this door is not after a future Missouri court discovers a new and illegitimate power to tax. The time to close this door is now.

In America, the powers to tax and to spend are for the people directly, and their elected representatives. To protect government by the people, I recommend that you place on the ballot a measure to ensure that Missouri will never have judge-imposed taxes. Though we have cut state taxes, not all local governments in Missouri have followed our lead.

All Missourians pay property taxes, whether directly or through higher rent. Rates are set by locally elected boards, but we can take action to stop these excessive local increases. State law is flawed because it allows hidden tax increases through mandated increases in property valuations. Property assessments and re-assessments should be fair. All too often, they have instead become a shadowy path to higher taxes. I look forward to working with you to develop tax reform that includes truth in taxation and mandatory levy rollbacks. It is imperative that all Missourians benefit from this relief. Let's not pick and choose who gets property tax relief. Let's protect all Missourians from these massive local property tax increases.

INCREASING ACCESS TO HEALTH CARE

By sticking to responsible budgets, making record investments in education, and protecting Missouri taxpayers, we have succeeded in making Missouri a state of greater opportunity. But work remains. I want more Missouri working families to have access to affordable health care. Missouri is among the 20 best states for the share of people with health coverage. I want us to do even better, and I will not rest until every Missourian has access to affordable health care.

I inherited a failing government health care system. Outcomes were of little concern, and spending was out-of-control. Hundreds of thousands were on the rolls whose continuing eligibility had not been verified. Under the old way, rooting out fraud and waste was less important than growing programs and throwing tax dollars at problems.

We took a better approach. We sought, and found, solutions that work. We saved the health care safety net by making responsible decisions to focus on the neediest Missourians. We have increased health care spending. And last year, we strengthened the safety net by creating Mo HealthNet.

Unlike the old system, HealthNet is about results. The old system treated people like numbers. HealthNet treats people as valued patients. HealthNet empowers participants through personalized care in a health care home, and, for the first time in Missouri history, guarantees access to primary and preventative care. We should always remember that the best solutions are not government mandates or bigger government programs. Telling a patient, “the bureaucrat will see you now,” would be a cure worse than the sickness. Impersonal government-run health care is bad for Missouri families, bad for Missouri doctors, and bad for taxpayers.

I believe in solutions that put Missouri families in greater control of their own lives. Last fall, I announced the creation of Insure Missouri, to make health insurance more affordable for working Missourians, by relying on the proven Missouri values of work, personal responsibility, and free enterprise.

Missourians believe in work. We want to help those who are trying to help themselves and their children. Insure Missouri meets the test of rewarding work.

Insure Missouri is no handout. Sharing in the cost provides people with the esteem that comes with ownership.

Insure Missouri is not a government program in constant danger of massive waste and cost overruns. Unlike proposals that want to go back in time, Insure Missouri comes without a tax hike. It takes existing resources and helps Missourians buy their own personal health insurance, at an affordable price.

Starting next month, more than 54,000 people can gain immediate access to affordable, high quality care. Those covered will have incomes below the federal poverty line. Co-payments will be no more than \$3 per visit.

This summer, access to coverage will move above the federal poverty level. Missourians will make contributions based on income. My fiscal year 2009 budget will help an additional 56,000 Missourians buy their own personal health insurance.

Once fully implemented, Insure Missouri will offer access to care for nearly 200,000 Missourians. This new direction has us on the path to affordable coverage for all. My budget also includes a substantial increase for autism funding. Last year, we provided \$3.9 million to shorten the waiting lists for families seeking services for early intervention and diagnosis of autism and to fund pilot projects to determine best practices in treating children with autism. This year, I recommend \$6.4 million to further reduce the waiting list, \$1 million for projects designed to expand treatment and services, and \$5 million for the Thompson Center in Columbia, a world-class treatment and research facility we will help build right here in central Missouri. Combined, this funding will improve the lives of Missouri families struggling with autism.

PROTECTING MISSOURI VALUES

We have also championed the values that define who we are as a people.

Since January of 2005, we have enacted new laws to reflect our profound respect for the inherent dignity of each and every life.

This year, we must take further steps. I believe the vast majority of Missourians agree that we should do all we can to encourage young parents to choose life. That is why my budget again includes increased funding for the Alternatives to Abortion program. It is also why I support legislation to strengthen Missouri's informed consent laws. We have a moral obligation to protect Missouri women and defend the dignity of human life. We must ensure that expectant mothers have all the information they need to make fully-informed decisions, including the right to view an ultrasound of their child. As any parent can tell you, there is nothing so powerful as that first glimpse of your child. It enhances early bonding and it will encourage expectant parents to choose life.

HONORING OUR MILITARY HEROES

From Bunker Hill to Baghdad, Missouri veterans have served for freedom and country rather than personal glory, and for that, they deserve our esteem, respect, and gratitude. War takes an incredible toll on our warriors and their families. They have earned a hero's welcome and any help we can provide to aid their transition to civilian life. This year, I recommend \$2.5 million in new funding for veteran's mental health and sheltering services. The funds will be used to ensure that our returning Soldiers, Sailors, Airmen, and Marines have the care they need as they return to civilian life.

Last year, we cut taxes for all Missourians who purchase health insurance. We cut taxes to protect family-supporting manufacturing jobs. And we passed legislation to end state income taxes on Social Security benefits. This year, I propose a fourth major tax cut. I urge the General Assembly to honor our veterans and eliminate all state income taxes on military retirement benefits.

Tonight, we are joined by a Missourian who would benefit from that tax relief, Chief Warrant Officer Rodney Hughes, a veteran of the War on Terror. Chief Warrant Officer Hughes has 25 years of unbroken service in the Missouri National Guard, including one year in Iraq. He is here tonight as a representative of an estimated 50,000 Missourians who have served our country in the Global War on Terror, and hundreds of thousands of Missourians who have served in the past. Chief Warrant Officer Hughes, we salute you, and all of your fellow warriors.

AGRICULTURE & RENEWABLE FUELS

My administration has fully returned to the Missouri tradition of encouraging agriculture, and helping Missouri family farmers realize proper reward for their toil on the land. Every year, America spends billions of dollars on foreign oil from anti-American suppliers. Ethanol and biodiesel can and should be used to break this reliance on foreign oil and protect our environment. I believe we would all prefer to fuel our cars with renewable fuel grown by a Midwestern farmer rather than oil from a Middle Eastern dictator.

We have encouraged the production of ethanol to help America move toward environmentally-friendly energy independence. Earlier this month, we became just the third state to implement a renewable fuels standard, increasing the use of ethanol in Missouri. In each of the past three years, I have recommended full funding for ethanol and biodiesel incentives, and I do so again tonight.

To further grow alternative fuel production, I support a B5 standard for biodiesel sold in our state. Biodiesel from soybeans has proven much more environmentally-friendly and better for air quality than regular diesel. Research has shown that it cuts carbon dioxide and cancer-causing emissions by more than 75 percent. Adopting a B5 standard will reduce particulate matter emissions by 15.4 million pounds and carbon monoxide emissions by 168 million pounds. A B5 standard will improve our air quality and makes sense for Missouri.

PRESERVING OUR ENVIRONMENT

We have a moral obligation to protect our environment. We seek long-term solutions. Last year, we passed the Hunting Heritage Act to protect thousands of acres of ecologically-diverse flood plains from taxpayer-financed development.

We also passed the Green Power Initiative so that by 2020, 11 percent of the energy used in our state will be produced from renewable sources. This year, I support incentives for

the construction of alternative fuel pumps, for the purchase of environmentally-friendly hybrid vehicles, and for the purchase of cleaner burning alternative fuels.

Of course, there are two sides to the energy equation. We can get our energy from greener sources, and we can also improve energy efficiency. I started an energy efficiency initiative within state government to save taxpayer money and improve Missouri's environment. For example, in Jefferson City previously wasted energy from a landfill is heating an entire prison. In total, efficiency and innovation will save Missouri taxpayers more than \$15 million per year and help protect our environment.

To build on that success, this budget includes \$400,000 for energy audits outside of state government. We will provide \$100,000 for voluntary audits to help small businesses save money and energy, and \$300,000 to conduct audits of municipal water systems, among our largest users of electricity. These audits will help identify inefficiencies – helping to save energy, lower costs, and improve Missouri's environment.

To reward efficiency by consumers, I support legislation creating a week-long “Show-Me Green” tax holiday to eliminate sales taxes on Energy-Star certified efficient appliances. This will give Missouri consumers an additional incentive to buy energy efficient products – saving energy, saving money, and preserving our environment.

SAFE & MODERN TRANSPORTATION

Before I took office, our state highways and bridges were crumbling. Over 87 percent of Missouri's roads were in less than good condition. Today, 74 percent of Missouri highways are in good condition and Missouri roads are safer. Last year, Missouri led the nation in improved highway safety. Traffic fatalities are down about 15 percent since 2005. This dramatic turnaround fuels job creation, supports tourism and ensures that Missouri families have the transportation system they need and deserve.

PROTECTING THE SAFETY & SECURITY OF MISSOURIANS

It is a fundamental duty of government to protect the life and property of its citizens, especially Missouri children.

At my recommendation, you passed one of America's strongest versions of Jessica's Law to ensure that dangerous sexual predators spend at least 30 years in prison and are monitored for their entire lives if they ever get out. We also created the Cyber Crime Task Forces grant program so that law enforcement can catch predators before they harm a Missouri child. My budget includes another increase for the Task Forces, bringing total funding to \$1.5 million.

I also urge you to improve the state's sex offender registry by requiring sex offenders to add their e-mail addresses to their sex offender profiles.

Violent sex crimes against children are unspeakably evil. Any criminal that rapes a Missouri child deserves the most serious punishment we can deliver. I urge you to make the rape of a Missouri child punishable by death.

We have taken dramatic steps to protect Missourians from methamphetamine – and they are working. I have already signed landmark legislation making it far more difficult to get the raw materials to make meth. Since our state law went into effect, meth incidents have declined by 40 percent. This year, I recommend nearly \$1 million for a new system to better alert law enforcement to potential abuses. I also request \$1.8 million in supplemental funding to help Missouri sheriffs continue their good work to keep meth off our streets and put meth dealers behind bars.

COMBATING ILLEGAL IMMIGRATION

A just society must rest on the rule of law and respect for the police and courts. Illegal immigration makes a travesty of the rule of law. It undermines wages for Missourians. It imposes huge costs on taxpayers for public services.

Those who favor an open border and welfare benefits for illegal immigrants say that Missouri “doesn’t have a problem” with illegal immigration. Tell that to skilled carpenters or electricians who cannot get work because illegals are being exploited and doing the job for a pittance. Tell it to Missouri taxpayers who subsidize services for those who broke the law to come here. Disrespect for the law is always a serious social problem.

As in generations past, Missourians welcome legal immigrants and want to help them assimilate into our society. That is why I renew my endorsement of English as the official language. I support this because I wish to include all in the full promise of the American life. English is the language of opportunity. As legal residents learn it, they open new doors, leading to greater freedom and prosperity.

But while we open our hearts to those here legally, we must reserve a firm hand for those who break our laws.

Washington, unfortunately, has failed to secure our borders. Open borders and amnesty are unacceptable. Missourians deserve more. Washington’s failure means states must do more, and Missouri is taking the lead.

For example, I directed the Highway Patrol to verify the immigration status of every person booked into jail. Since my directive, 138 illegal immigrants have found out the hard way that crime does not pay. To build on these gains, we have applied for federal approval that deputizes state law enforcement to enforce federal immigration law. Working with federal authorities, we helped bust and disqualify a state contractor for using illegal workers. I have a simple rule. If a contractor uses illegal labor, they will not do business with Missouri taxpayers.

I urge you to place my directives in statute and pass a number of important legislative initiatives.

First, I urge you to create new penalties for aiding an illegal in obtaining a license by fraud and to specifically prohibit illegals from having a Missouri driver's license. I ask that you forbid local governments from hampering law enforcement efforts to help enforce immigration law. Missouri should have no "sanctuary cities." To stop the use of illegal labor and to protect illegal immigrants from exploitation, I support a new law making it a crime to transport any illegal immigrant for exploitive purposes, including illegal labor.

To protect taxpayers, I urge legislation to require public agencies to verify the legal status of applicants before providing welfare benefits.

Missourians know what needs to happen. Turn off the magnets that help attract mass illegal immigration.

Finally, I urge you to require stronger employment verification to punish those who knowingly hire illegals and to protect from undue penalty those whose failures occur in good faith.

Again: Turn off the magnets, end the easy hiring of illegals, and stop undermining American wages.

Missouri is already taking some of the strongest steps in the United States to curb illegal immigration, but we can and should be doing more. Missourians should know that I will do everything I can to combat illegal immigration – to protect their safety, to defend their hard-earned tax dollars, to protect their jobs, and to enforce the rule of law.

CHANGE THAT IS WORKING

When the old way failed the people, Missourians issued their mandate for a new direction.

We took a wrecked state budget and delivered consecutive surpluses.

We took a job climate that was causing entrepreneurs and employers to flee our state and turned it into a climate welcoming new jobs – nearly 90,000 in just three years.

We reduced taxes for Missouri seniors and every Missouri family that spends money on health insurance.

We took a health care system that resulted in poor health for patients and reckless spending for Missouri taxpayers and replaced it with a better system, one that delivers better care, improves the quality of life for participants, and is sustainable for Missouri taxpayers. Now, for the first time, we will help working families afford their own

coverage. And again, I will not rest until every Missourian has access to affordable health care.

We took an education system that all-too-often found itself fighting tooth-and-nail for funding and made it our highest budget priority. We will deliver more than \$1.2 billion in new funding, and we will quadruple state scholarships to help more than 36,000 deserving Missouri students.

What we are doing is passing the ultimate Missouri test. It is working. It is working for Missouri families.

Our task is to make what is good even better. We must aspire for even greater prosperity, opportunity, and freedom. We must never stand still. America is the most dynamic society in human history. We must combine tested and proven values with innovation and the common wisdom of the people to honor Missouri's motto: that the welfare of the people shall be the supreme law.

May God bless each of you, and may God continue to bless our great and wonderful state.